

Office of City Auditor – City of Seattle

Monthly Report – April 2004



The City Auditor is Seattle's independent internal auditor, appointed by the City Council's Finance Committee Chair and confirmed by the full Council. The Office of City Auditor conducts financial, performance, management, and compliance audits of City departments, programs, grantees, and contracts. The office can be reached at (206) 233-3801, or on the Internet at <http://www.seattle.gov/audit>.

Recently Published Report

In April, we completed our review of the Carkeek Park Environmental Learning Center. The primary objectives of the review were to identify the factors contributing to an 86 percent increase in total project costs, and to determine the reasonableness of the final project cost. Based on our review, we determined that the final project cost of \$767,948 was significantly higher than the initial \$413,956 cost estimate due to:

- An incomplete initial project cost estimate;
- Greater than anticipated construction bids and costs; and
- Greater than anticipated design and construction costs for sustainable design program documentation, and for the construction of related features.

We also determined that the final project cost was reasonable compared to two other recently constructed Department of Parks and Recreation facilities of similar scope and size.

Projects Reprioritized

The Office of City Auditor frequently reviews the items on its rolling work program to reprioritize efforts. This month, a number of projects have either been discontinued or moved to the To Do list, which indicates that they will be addressed at

a later date if resources become available. A project is discontinued if an initial review indicates that its potential benefits do not warrant a continued effort. Projects are moved to the To Do list if they still seem to have potential to benefit the City, but must be deferred until higher priority assignments have been completed. This month, the office has discontinued audits on Police Department and Law Department Asset Allocation, and has moved four audits to the To Do list:

- City Procurement Cards,
- Small Works Roster–Construction,
- Treasury and Business Improvement Area Follow-Up, and
- The Museum Development Authority.

In The News

The Seattle Office of City Auditor is now participating in a “Point-Counterpoint” column with the San Jose Office of the City Auditor in the quarterly journal of the National Association of Local Government Auditors. Their recent debate about the *Government Audit Standards* and the *Standards for the Professional Practice of Internal Auditing*, can be viewed online at: <http://www.nalga.org/qtrly/0304pcp.html>.

Status of Seattle Office of City Auditor Rolling Work Program¹

(Highlighted projects denote change in status from March)

Projects in the Preliminary Stage (see definitions below)

Overweight Trucks on Streets
Weights and Measures Program

Projects in the Job Design Phase

Business Taxes
Case Study of Contracting History With One Vendor
Construction Contract Closeout
Domestic Violence
Information Technology Inefficiencies
Impact of Climate Change on City Operations and Facilities
Procurement at Seattle Public Utilities
Project Share
Seattle City Employees Retirement System Follow-Up
Seattle Center Funding

Projects in the Data Gathering and Analysis Phase

Low Income Rate Assistance Follow Up
Seattle Channel

Projects in the Report Writing Phase

Vehicle Impounds (Consulting Project)
Response to SLI on Quality Assurance Reviews of
Information Technology Projects (Non-Audit Project)
Seattle City Light Customer Service Center Cash Audit

To Do Projects

Boards and Commissions
Boundary Dam Internal Controls
Citizen Complaints Audit Follow-Up
City Procurement Cards
City's Weatherization Programs
Construction Scheduling
Fire Levy
Madison Pool Facility Cash Fund Follow-up
Municipal Court Collection Services Follow-Up
Museum Development Authority
Neighborhoods Service Centers Cash Handling Follow-Up
Quality Assurance Review of Office of City Auditor
Seattle City Light Follow-Up
Seattle Department of Transportation Permit Center Follow-Up
Small Works Roster—Construction
Small Works Roster—Consultants
Treasury and Business Improvement Area Follow-Up
Warehouses—Citywide

Ongoing Projects

Cable Customer Bill of Rights
Citywide Cash Handling

Discontinued Projects

Law Department Asset Allocation
Police Department Asset Allocation

Preliminary: Preliminary review under way to determine whether topic is valuable for an audit.

Job Design: Audit scope is determined and a data-gathering plan is developed. A decision is also made on whether to continue the audit at the end of this phase.

Data Gathering and Analysis: Comprehensive fieldwork and in-depth analysis is completed during this phase.

Report Writing: Development of the final report.

Follow-Up: Assessment of City departments' implementation of earlier audit recommendations is often completed one to two years after publication.

To Do: Issues the office will consider examining as staff resources become available.

Ongoing: Official briefings, management reporting, and other small consulting engagements performed on a continuous or regular basis.

¹The Office of City Auditor maintains a "rolling" work program. Throughout the year, we receive new audit suggestions and reprioritize our work program to ensure that we address the most important issues first. The office is currently staffed to complete 12 to 14 projects annually.